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23 September 1948

THE COMMUNIST THREAT IN INDONESIA

The strategic interests of the United States are seriously jeopardized as the result of the emergence in Indonesia of a militant Communist movement, the announced intention of which is the overthrow of the present Republican Government. The impasse in the United Nations Good Offices Committee (UNGOC) negotiations, resulting from the inability and unwillingness of the Dutch and Republican governments to come to terms, has had the effect of strengthening the Communist movement. The Dutch Government, which emphasizes the Communist threat as proof that the Republic is unable to cope with its internal difficulties, now appears prepared to undertake a settlement by military action directed against both the Republic and its Communist opposition.

The US Delegation of the Good Offices Committee has formulated a draft agreement which is now opposed only by the Dutch. This draft agreement represents an attempt to recognize the minimum requirements of the Republic, which are shaped by its strong national aspirations, and to protect Dutch interests in the area to as great a degree as is feasible.

If UNGOC fails to obtain Dutch acceptance to the US compromise proposal, or if the Dutch take advantage of the situation within the Republic and resume police action, the present moderate Republican Government will not be able to stay in power and the Indonesian nationalist movement will be vulnerable to seizure by the Communist extremists. Because the Communists have taken the initiative and precipitated this crisis, a majority of the Republic's armed forces and its population are backing the Government. The Communist threat, however, has serious potentialities; the Republic has already lost control of two seaports and an oil refinery which supply the Republican capital. The gravest threat to the Republic at this time would develop from the movement of Dutch military

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forces across the status quo line. Such a move, which would be interpreted by the populace as evidence of Dutch-Republican collaboration, would quickly jeopardize the Government's position and would swing the balance of popular support to the Communists who profess themselves to be the true guardians of Indonesia's national aspirations.

The ascendancy to power of a Communist-dominated government in Indonesia would represent a major extension of Soviet influence in the strategically important Southeast Asia area and would seriously damage the US position elsewhere in the Far East.

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